GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2007
ANSWERED ON:01.12.2000
FISCAL MANAGEMENT OF STATE GOVERNMENTS
GULAM MEHMOOD BANATWALLA

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has given or proposed to give any advice to the State Governments regarding their fiscal management;

(b) if so, the details thereof;

(c) whether the Union Government have held or proposed to hold any dialogue with the State Governments on their fiscal problems;

(d) whether there will be any involvement of world agencies in the proposed talks or formulation of suggestions on fiscal management by the States; and

(e) if so, details in this respect?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI BALASAHEB VIKHE PATIL
(a) to (e) The State Governments are autonomous under the Constitution and financial management of the States is primarily the responsibility of the State Governments. Some of States have undertaken their own medium term fiscal reform programme aimed at reduction in revenue deficit through increased revenue mobilization, reduction in non plan revenue expenditure, correction in prices & subsidy and disinvestment. In 1999-2000, Government of India created a facility for extending medium term assistance to those States who have entered into an agreement with Government of India for initiating monitorable fiscal reform programme.Some States, with the concurrence of Government of India, have also availed of assistance from World Bank/Asian Development Bank, for financial restructuring.